

DC BUSINESS COMMUNITY TELETOWNHALL

(COVID-19)

Economic Recovery Updates

Tuesday, April 28, 2020

[CORONAVIRUS.DC.GOV](https://coronavirus.dc.gov)

IDMPED
OFFICE OF THE DEPUTY MAYOR FOR
PLANNING & ECONOMIC DEVELOPMENT

WE ARE
WASHINGTON
GOVERNMENT OF THE
DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR

WELCOME

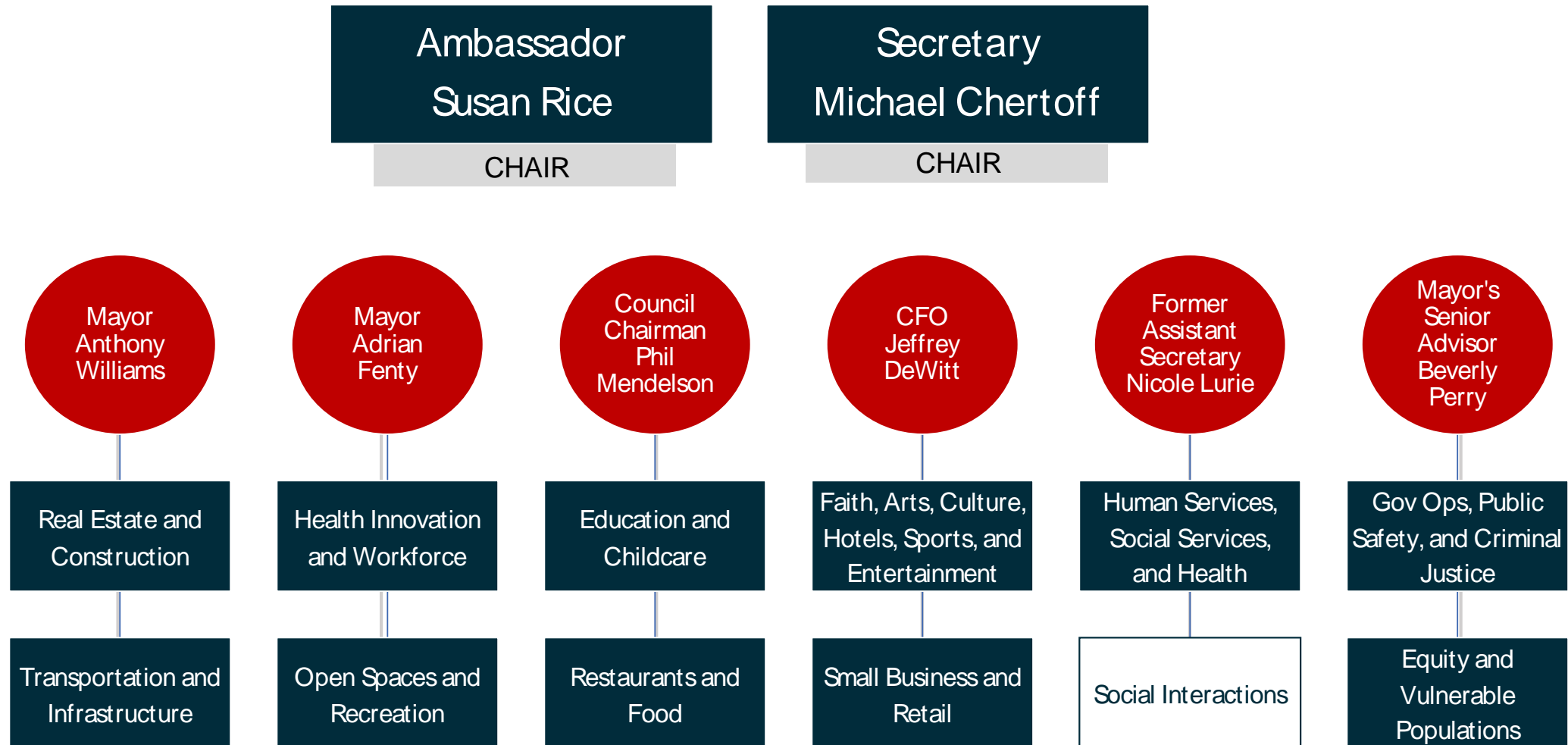
Acting Deputy Mayor John Falcicchio
Planning and Economic Development

ReOpen DC is about working together as a community to reopen Washington, DC in a way that is **safe** and **sustainable**. Together, we will create a plan that is based in science and tailored to the needs of our community.

HEALTH • **OPPORTUNITY** • **PROSPERITY** • **EQUITY**

ReOpen DC Advisory Group

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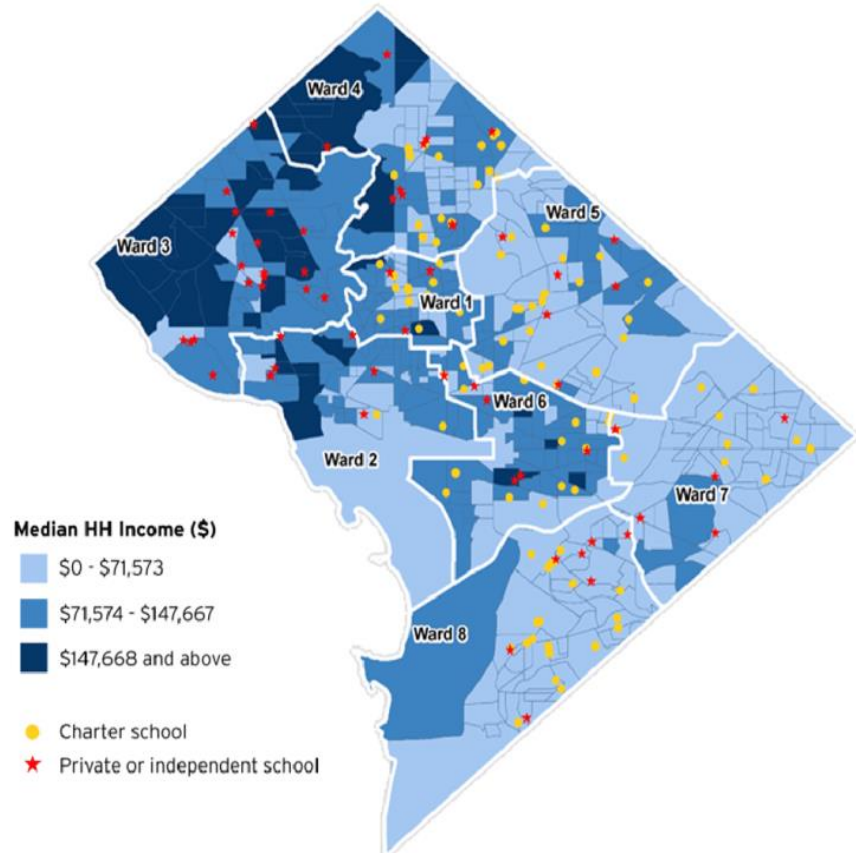


Special Guest Speaker

Dr. Andre Perry

Income Inequality

Charter vs Private Schools by Local Income
DC, 2016



- Ward 3 (westernmost) median household income:

\$122,680

- Ward 7 (easternmost) median household income:

\$40,021

2017 Census data via dceconomicstrategy.com

Source: Author analysis of ACS
and DC Open School Data

B Metropolitan Policy Program
at BROOKINGS

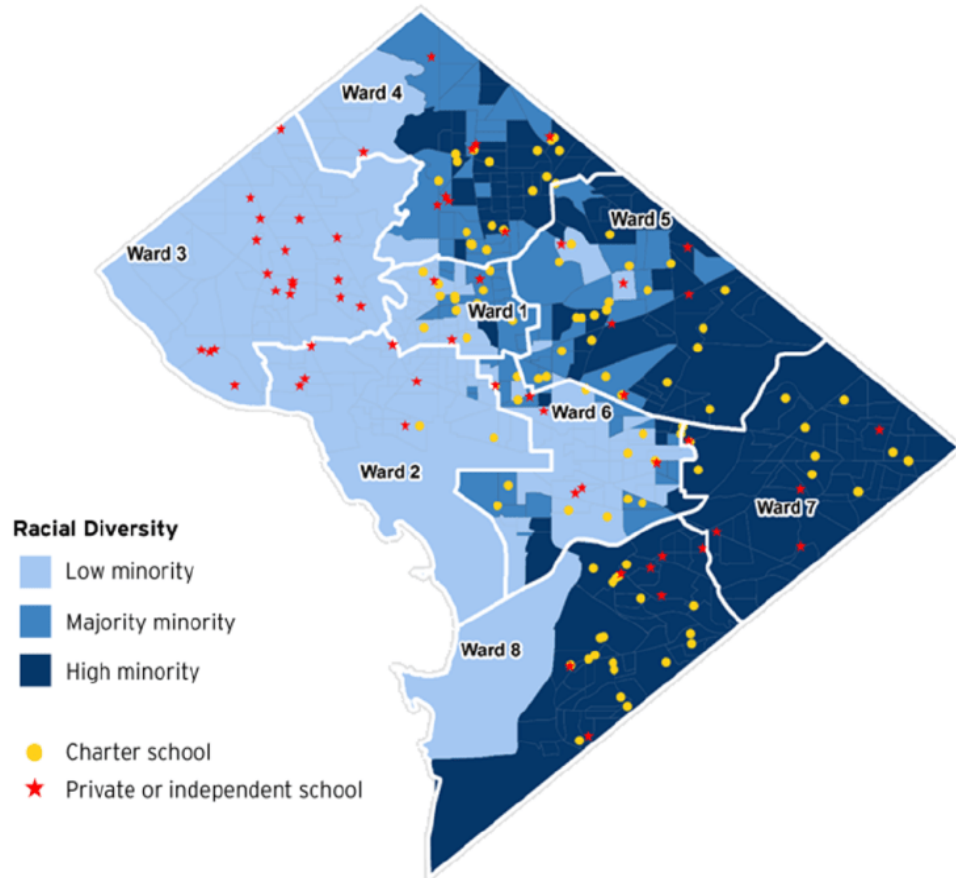


@andreperryedu

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Residential Segregation

Charter vs Private Schools by Local Minority Percentage
DC, 2016



Source: Author analysis of ACS
and DC Open School Data

B Metropolitan Policy Program
at BROOKINGS

- Ward 3 (westernmost) Black share of population:

5%

- Ward 7 (easternmost) Black share of population:

92%

2020 demographic data via dchealthmatters.org



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Devaluation of Homes in Black Neighborhoods

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There are **56 Black-majority cities** and towns in the DMV which exceed the national median income.

Nevertheless, wealth-building is not easy.

Homes in Black neighborhoods in the DMV are **devalued** by **15.4%** or **\$48,490** on average.



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Racial Disparities in Capital and Resilience

Compared to white business owners,
Black entrepreneurs...

- are **denied** bank loans more than **twice as often** (53% to 25%)
- receive loans that are **half as generous**, on average (\$149,000 to \$310,000)
- pay **higher interest rates** on average (7.8% to 6.4%, for minority and white owners respectively)
- were less likely to weather the 2008 Recession. 49% of Black businesses survived, compared to 60% of white-owned firms



Source: Minority Business Development Agency, 2017 and US Census CES, 2014.



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Racial Disparities in Business Patronage

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- Minority-owned businesses are **rated just as highly** or higher than white-owned businesses on Yelp, on average.
- But, businesses in Black neighborhoods receive **50 - 100 fewer** reviews and are rated **0.2 stars lower** on average.
- Highly rated businesses in Black neighborhoods experience **lower revenue growth** than **poorly rated** businesses in neighborhoods that are less than 1% Black.
- This disparity amounts to **between \$1.3 billion and \$3.9 billion in unrealized revenue**, annually.



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Invest in People and Places

- **Shrink the gap in access to capital.** Create municipal social impact funds dedicated to financing small Black and Brown businesses.
- **Bolster resilience for certain minority-owned businesses.** Set and meet benchmarks for the number of Black and Brown vendors used to procure cities' goods and services, relative to the Black population share of the area.
- **Create paths forward for businesses that are shuttered due to recession.** Provide onramps to job opportunities in city government for former Black and Brown business owners and employees.
- **Provide tax incentives for employers that hire people of color after social distancing.**
- **Ensure inclusion in the financing process.** Require at least 1/3 of managers who oversee pensions and other funds be represented by women & people of color.
- **Invest in places, not just people.** Develop new and existing commercial corridors that are focused on developing businesses and communities. Target infrastructure investments in Black neighborhoods and partner with developers to incentivize renovation of existing commercial-use properties.



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COVID-19 UPDATE FROM MOAAA

Ashley Emerson
Executive Director, Mayor's Office on African
American Affairs

UNEMPLOYMENT INSURANCE UPDATES

Dr. Unique Morris-Hughes
Director, Department of Employment Services

RESOURCES FOR SMALL BUSINESSES

Kristi Whitfield
Director, Department of Small and Local Business
Development (DSLBD)

#StayHomeDC



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